

North Dakota Loan Repayment Policy and Procedure Manual

Dentists Loan Repayment Program

NDCC Chapter 43-28.1 as of 11/16/16

Introduction

The North Dakota State Legislature has provided funding since 1994 to establish loan repayment programs for physicians, nurse practitioners, physician assistants, certified nurse midwives, and dentists. In 2007, the legislature established a loan repayment program for veterinarians working in food animal medicine.

The 2015 Legislative Assembly created the Health Care Professional Student Loan Repayment Program in House Bill 1396 to provide loan repayments for physicians, advanced practice registered nurses (nurse anesthetists, nurse midwives, clinical nurse specialists, and nurse practitioners), physician assistants, clinical psychologists, and behavioral health care professionals (licensed addiction counselors, licensed professional counselors, licensed social workers, registered nurses, and psychiatric nurse specialists). House Bill 1396 also repealed chapters 43-12.2 and 43-17.2 of the North Dakota Century Code relating to previously enacted loan repayment programs for physicians, nurse practitioners, certified nurse mid-wives and physician assistants. Senate Bill 2205 revised the Dentists Loan Repayment Program. Providers working in Federal agencies are not eligible for the state loan repayment programs.

The health professional loan repayment programs are administered by the North Dakota Department of Health Primary Care Office. The programs were created to increase the number of providers, in the disciplines of medicine, nursing, physician assistant studies, and behavioral health, in areas of the state with defined health professional needs.

The dentist loan repayment policies and procedures are outlined below.

Application Process

Loan repayment information and applications are available on the Primary Care Office website at <http://www.ndhealth.gov/pco/>. The applicant must submit a completed application form, verification of outstanding educational loans from the lender (making sure the address and loan amounts on all documents are the same), license or copy of the license application and three letters of reference. Letters of reference may be submitted from a co-worker, the facility administrator where the applicant will be employed, a character reference, and if applicable, a professor who can document the educational skillset of the applicant. If you have any questions, regarding the application process or loan repayment program, please contact Bobbie Will blwill@nd.gov or by phone at 701-328-4908.

Application Deadlines:

Complete applications are due annually to the Primary Care Office by **March 15**. Once received, reviewed and verified, applications will be forwarded to the State Health Council for consideration at the April or May meeting. Applicants will be notified by the Primary Care of the State Health Council's decision. Contracts will be issued by the North Dakota Department of Health.

Applications can be sent by email to blwill@nd.gov or by mail to
Bobbie Will, Primary Care Office Manager
600 E Boulevard Ave. Dept. 301
Bismarck, ND 58505
Office 701.328.4908
Fax 701.328.4227

SECTION I: SITE ELIGIBILITY REQUIREMENTS IN NORTH DAKOTA

1. Priority is given to sites or clinics in the following categories:
 - a. dental services be provided in a public health clinic, a practice with a focus on an underserved population, or a nonprofit dental clinic;
 - b. dentists trained in general or pediatric dentistry or in a dental specialty where such services are needed in the identified city or surrounding areas, or both; or
 - c. are located in a federally designated Dental Health Professional Shortage Area or a State defined critical shortage area.

SECTION II: APPLICANT ELIGIBILITY REQUIREMENTS

1. The applicant must:
 - a. be fully licensed to practice in North Dakota and available to begin by July 1;
 - b. accept Medicare and Medicaid patients; and
 - c. be employed full-time providing direct patient care in the appropriate settings, no more the 8 hours of a full time providers weekly hours will be spent on administrative duties.
2. A dentist selected for loan repayment who practices within fifteen miles [24.14 kilometers] of the city limits of one of the three largest cities in the state must:
 - a. have received dental medical payments of at least twenty thousand dollars in the form of medical assistance reimbursement; or
 - b. have practiced at least two full workdays per week at a public health clinic or a nonprofit dental clinic that uses a sliding fee schedule for patient billing.

SECTION III: FINANCIAL INCENTIVES/PENALTIES/PAYMENTS

Providers participating in the loan repayment program can enter into an agreement to practice five years and receive the following loan repayment assistance for outstanding education loans from institutional lending agencies of the United States, Canada, or other approved countries. The table below identifies the funding and penalties.

State Funds	Payment Disbursement	Penalty
Up to \$100,000 over 5 years	Payments are made to the applicant at the conclusion of each twelve month period of service.	If a dentist fails to begin or complete the obligation, he/she is liable for the total amount of any loan repayment funds received.

SECTION IV: TAX INFORMATION ON LOAN REPAYMENT PROGRAMS

1. IRS Publication 970 states the following regarding student loan repayment assistance programs “Student loan repayments made to you are tax free if you received them for any of the following:
 - a. The National Health Service Corps Loan Repayment Program.
 - b. A state education loan repayment program eligible for funds under the Public Health Service Act.
 - c. Any other state loan repayment or loan forgiveness program that is intended to provide for the increased availability of health services in underserved or health professional shortage areas (as determined by such state).
 - d. You cannot deduct the interest you paid on a student loan to the extent payments were made through your participation in the above programs.”
2. Payments under certain state loan repayment programs.
 - a. In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act, or under any other State loan repayment or loan forgiveness program that is intended to provide for the increased availability of health care services in underserved or health professional shortage areas (as determined by such State).
 - b. Under 26 U.S.C. § 3401(a) (19), state loan repayment program payments are also not considered to be “wages” and are therefore exempt from Federal employment tax (FICA).
3. Wages
 - a. For purposes of this chapter, the term “wages” means all remuneration (other than fees paid to a public official) for services performed by an employee for his/her employer, including the cash value of all remuneration (including benefits) paid in any medium other than cash; except that such term shall not include remuneration paid.
 - b. For any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from income under section 74(c), 108(f)(4), 117, or 132.

SECTION V: RELEASE FROM CONTRACT OBLIGATION

1. A decision by the State Health Council to release a provider from their loan repayment contract without penalty is outlined below.
 - a. The dentist has completed the service requirements of the contract.
 - b. The dentist is unable to complete the service requirement of the contract because of a permanent physical disability.
 - c. The dentist demonstrates to the state health council extreme hardship or shows other good cause justifying the release.
 - d. The dentist dies.

SECTION VI: SELECTION OF SUCESSFUL APPLICANTS

The North Dakota Department of Health reviews all applicants in consultation with the North Dental Association. The applicants are then prioritized and presented to the Health Council for review and approval. The applicants are reviewed and prioritized based on Sections I and II of this manual.